

CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF

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1. Japan

Ambassador Reischauer says that the pause in bombing of North Vietnam and other current peace efforts have brought the US, for the first time, a good deal of public support in Japan.

He believes that if this is carefully nurtured, it could contribute substantially to the mounting pressure of
world opinion on North Vietnam to negotiate. More significantly, it could
help lead Japan into a more responsible
role in developing long-range Asian
counterpressure to Peking's efforts to
spread its dominance throughout Asia.

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3. India-Pakistan

President Ayub seems to regard India's new prime minister with considerable reserve. He implied to Ambassador McConaughy yesterday that he fears Mrs. Gandhi may be an "extremist" with respect to Pakistan. Mrs. Gandhi's affirmation of support for the Tashkent declaration is not likely to calm Ayub's fears.

Ayub said that in Tashkent immediately after Shastri's death, he had appeared before the Indian delegation and passed on to them the few private understandings he had reached with Shastri. He said he "hopes" these have not been lost. These arrangements apparently involved plans by the two leaders to take a series of public actions designed to dramatize the spirit of reconciliation.

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4. Indonesia

Again today there were several large student demonstrations calling for the ouster of close Sukarno aides in the cabinet.

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The Sukarno forces have, as usual, been trying to channel popular unrest into attacks against the US and its "nekolim" allies. A mass pro-Sukarno rally called for Friday may well feature this tired line.

5. Australia

Prime Minister Menzies is expected to announce his retirement tomorrow after a straight 16 years in office. The government's two coalition parties are almost certain to name Menzies' long time deputy and friend, Harold Holt, as the new prime minister. Holt is not likely to adopt any major policy changes.

6. Hungary

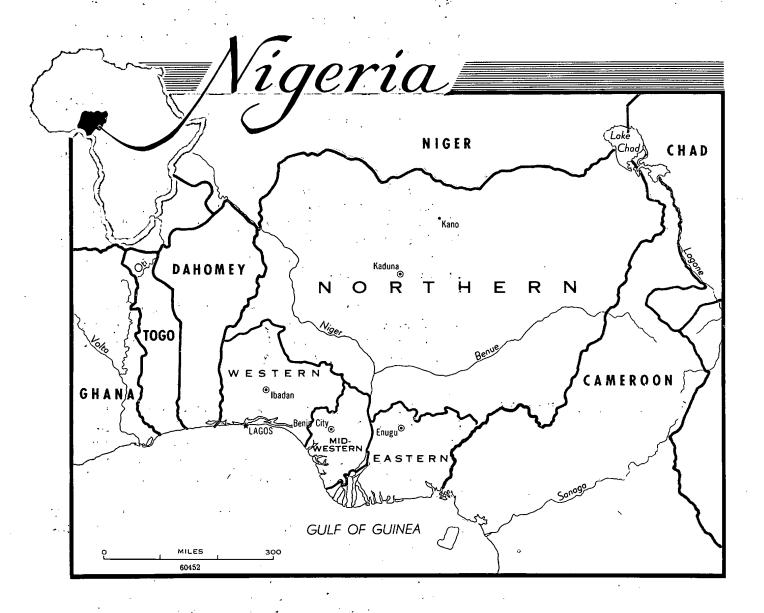
The Kadar regime has been faced with open expressions of popular discontent since it decreed a series of price increases last month. There have apparently been work stoppages and worker demonstrations, some in suburban Budapest, and some recent arrests may be related to the unrest. The regime does not appear in immediate danger, but these problems, together with Kadar's declining popularity, portend increasing difficulties.

7. Zambia

Racial tensions seem to be growing in Zambia's mining areas where white expatriates make up an economically important part of the population.

a number of troublesome issues, including racial bias in the administration of gasoline ration-ing.

On the plus side, Zambian leaders now seem to feel under less immediate pressure to impose self-defeating sanctions against Rhodesia. They appear, at least for the moment, more confident of British determination to bring down the Smith regime.



The situation remains explosive. General Ironsi did succeed last night in expanding his authority, at least nominally, over the rebel forces that had been holding out in the capital of the Northern Region.

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The rebel leader in the north conditioned his surrender on assurances that the ousted leaders of the northern regional government not be restored to office.

Public support for the new regime seems almost overwhelming in the southern regions. This is probably more a jubilant reaction to the deposing of the conservative northerners, however, than it is positive backing.

It will not be easy to bring the northern tribes around to accepting the kind of southern-dominated regime that seems to be emerging in Lagos.

9. Dominican Republic

Tensions are rising again after last night's gun battles in Santo Domingo. Leon Bosch, son of the former president, was gravely wounded in one incident. The circumstances are still not clear.

This is likely to increase the elder Bosch's petulant public references to the impossibility of holding elections next June under present insecure conditions. Bosch seems, in fact, to be laying the groundwork for boycotting the elections.

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